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CAPITAL ESTATE LIMITED **冠中地產有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 193)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent
Constance Capital Limited

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 6 February 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a best effort basis, 38,865,000 new Shares to not less than six independent Placees (as currently expected) at the Placing Price of HK\$0.267 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the Placing Shares represent approximately 19.99% of the Company's existing issued share capital and approximately 16.67% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.267 per Placing Share represents (i) a discount of approximately 19% to the closing price of HK\$0.330 per Share as quoted on the Stock Exchange on 6 February 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 19% to the average closing price of HK\$0.330 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 5 February 2025.

The gross proceeds from the Placing will be approximately HK\$10.4 million. The Company intends to use the net proceeds of approximately HK\$10.0 million from the Placing for its operations, business and as general working capital.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

As completion of the Placing is subject to the satisfaction of the condition under the Placing Agreement, the Placing may or may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 6 February 2025, the Placing Agreement was entered into between the Company and the Placing Agent. Summarized below are the principal terms of the Placing Agreement.

THE PLACING AGREEMENT

Date

6 February 2025 (after trading hours)

Parties

The Company and the Placing Agent

Placing Agent

Constance Capital Limited, the Placing Agent, has conditionally agreed to place 38,865,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 2% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Company and its connected persons.

Placees

It is currently expected that the Placing Agent will place the Placing Shares to not less than six independent Placees, who and whose ultimate beneficial owners are third parties independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Company and its connected persons. It is expected that none of the Placees will become substantial Shareholders (as defined in the Listing Rules) immediately after completion of the Placing.

If the Placing Shares are placed to less than six Placees or if any of the Placees will become a substantial Shareholder upon completion of the Placing, further announcement will be made by the Company.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the 38,865,000 Placing Shares represent approximately 19.99% of the Company's existing issued share capital and approximately 16.67% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.267 per Placing Share represents (i) a discount of approximately 19% to the closing price of HK\$0.330 per Share as quoted on the Stock Exchange on 6 February 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 19% to the average closing price of HK\$0.330 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 5 February 2025.

The Placing Price, which was agreed after arm's length negotiation between the Company and the Placing Agent, was determined with reference to the prevailing market price of the Shares. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 17 January 2025, pursuant to which the Directors are allowed to allot and issue up to 38,867,511 new Shares. The maximum of 38,865,000 Placing Shares to be allotted and issued will utilize approximately 99.99% of the General Mandate.

As at the date of this announcement, no new Shares have been issued and allotted pursuant to the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Condition of the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares and such listing and permission not subsequently being withdrawn or revoked.

If the condition is not fulfilled on or prior to the Long Stop Date, the Placing Agreement shall terminate and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Placing Agreement.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing to the Company at any time prior to the Completion Date upon the occurrence of any of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business, financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against the Company or any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a breach by the Company of any other provision of the Placing Agreement in any material respect; or

- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed;

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company provided that such notice is received prior to the Completion Date.

Upon the giving of the above-mentioned notice by the Placing Agent to the Company, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place on the Completion Date.

As completion of the Placing is subject to the satisfaction of the condition under the Placing Agreement, the Placing may or may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in hotel operations, property development, consumer finance, financial investment, and related business.

The gross proceeds from the Placing will be approximately HK\$10.4 million. The Company intends to use the net proceeds of approximately HK\$10.0 million from the Placing for its operations, business and as general working capital. The net proceeds raised per Placing Share will be approximately HK\$0.258.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company, and raise additional funds to facilitate the Group's business operations. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

There were no fund raising activities conducted by the Company in the past 12 months prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structures of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming there is no change in the share capital of the Company between the date of this announcement and completion of the Placing) are set out below for illustration purpose:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
Directors				
Mr. Chu Nin Yiu, Stephen	1,944,000	1.00	1,944,000	0.83
Ms. Sio Lai Na (<i>Note 1</i>)				
Cedarwood Ventures Limited (<i>Note 1</i>)	66,912,266	34.43	66,912,266	28.69
Nichrome Limited (<i>Note 1</i>)	55,000,000	28.30	55,000,000	23.58
Aggregate holdings of Ms. Sio Lai Na	121,912,266	62.73	121,912,266	52.27
Public Shareholders				
Placees	–	–	38,865,000	16.67
Others	70,481,293	36.27	70,481,293	30.22
Total	194,337,559	100.00	233,202,559	100.00

Note:

- Each of Cedarwood Ventures Limited and Nichrome Limited is wholly and beneficially owned by Ms. Sio Lai Na, being an executive Director and the chairlady of the Board.

DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	Capital Estate Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the main board of the Stock Exchange (stock code: 193)

“Completion Date”	a date falling within four (4) Business Days after the satisfaction of the conditions of the Placing (or such later date as the Company and the Placing Agent may agree in writing) and on which completion of the Placing will take place
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 17 January 2025 to allot, issue and deal with up to 20% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 February 2025 or such later date as the Company and the Placing Agent shall agree
“Placee(s)”	any person or entity procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of 38,865,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Constance Capital Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities) and type 9 regulated activity (asset management) under the SFO
“Placing Agreement”	a conditional placing agreement dated 6 February 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.267 per Placing Share
“Placing Shares”	38,865,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board of
CAPITAL ESTATE LIMITED
Sio Lai Na
Chairman

Hong Kong, 6 February 2025

As of the date hereof, the board of directors of the Company comprises Ms. Sio Lai Na, Mr. Chu Nin Yiu, Stephen, as executive directors, Ms. Sio Lai Nga as non-executive director, and Mr. Hung Ka Hai, Clement, Mr. Wong Kwong Fat and Mr. Chan Shu Yan, Stephen as independent non-executive directors.